

Regulations

Property Taxes

[Rule 312](#), *Hearings Recorded*, was amended to update the cross reference to the section of the Code of Civil Procedure that prescribes the manner in which depositions are recorded in civil proceedings.

Title 18, California Code of Regulations, section 312; effective March 16, 2010.

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[Rule 192](#), *Mandatory Audits*, [Rule 193](#), *Scope of Audits*, and [Rule 371](#), *Significant Assessment Problems*, were amended to incorporate the new requirement from Revenue and Taxation Code section 469, as amended by Statutes 2008, Chapter 297 that county assessors perform a “significant number of audits,” rather than “mandatory audits.” The rules were also amended to clarify the scope of the new audit requirement and the circumstances under which the disclosure of a discrepancy or irregularity during a taxpayer’s audit will require a county assessor to perform additional audits; make minor grammatical and formatting changes; and update the citations in the regulations’ authority and reference notes.³

Title 18, California Code of Regulations, sections 192, 193, and 371; effective May 14, 2010.

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Sales and Use Taxes

[Regulation 1525.7](#), *Rural Investment Tax Exemption*, was repealed due to the repeal of Revenue and Taxation Code section 6378.1 by its own terms effective January 1, 2006.

Title 18, California Code of Regulations, section 1525.7; effective May 11, 2010.

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[Regulation 1584](#), *Membership Fees*, was amended to delete the obsolete reference to the January 1, 1996, operative date.

Title 18, California Code of Regulations, section 1584; effective May 13, 2010.

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[Regulation 1597](#), *Property Transferred or Sold by Certain Nonprofit Organizations*, was amended to incorporate the provisions of Revenue and Taxation Code section 6018.9, added by Statutes 2009, Chapter 538, pertaining to the requirements for 501(c) organizations to be consumers of tangible personal property transferred to their members.

Title 18, California Code of Regulations, section 1597; effective March 16, 2010.

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[Regulation 1602.5](#), *Reporting Methods for Grocers*, was amended to update the tax rate used in the example in subdivision (b)(1)(G).

Title 18, California Code of Regulations, section 1602.5; effective May 13, 2010.

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[Regulation 1620](#), *Interstate and Foreign Commerce*, was amended to replace an incorrect cross reference to subdivision (b)(7) with a correct cross reference to subdivision (b)(9).

Title 18, California Code of Regulations, section 1620; effective September 29, 2009.

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Note that the amendments changed the name of rule 192 to *Audit Selection*.

[Regulation 1668](#), *Sales for Resale*, was amended to clarify that adequate support for a retailer's sale for resale includes a combination of a purchase order with an accepted resale designation, such as "for resale," "not taxable," or another similar term, and a copy of a valid resale certificate.

Title 18, California Code of Regulations, section 1668; effective August 29, 2009.

[Regulation 1699](#), *Permits*, was amended to incorporate the provisions of Revenue and Taxation Code section 6225, added by Statutes 2009, Chapter 16, regarding the registration of and filing requirements for qualified purchasers.

Title 18, California Code of Regulations, section 1699; effective March 17, 2010.

[Regulation 1700](#), *Reimbursement for Sales Tax*, was amended to update the tax rates used in the examples in subdivision (b)(5).

Title 18, California Code of Regulations, section 1700; effective May 13, 2010.

Special Taxes and Fees

[Regulation 2300](#), *Collection of Surcharge*, was amended in order to complete the citation to the Energy Resources Surcharge Law (Revenue and Taxation Code, section 40001 et seq.) in the first paragraph of the regulation and replace the citations to Revenue and Taxation Code sections "40001-40191" with more specific citations to Revenue and Taxation Code sections "40019, 40019.1, 40020, and 40045" in the regulation's reference note.

Title 18, California Code of Regulations, section 2300; effective March 30, 2010.

[Regulation 2401](#), *Definitions*, was amended to bring the definitions for "service supplier" and "intrastate telephone communication services" into conformity with the statutory definitions in Revenue and Taxation Code sections 41007 and 41016, which were revised by Statutes 2008, Chapter 17, and add citations to Revenue and Taxation Code sections 41015 and 41016 to the regulation's reference note.

Title 18, California Code of Regulations, section 2401; effective March 30, 2010.

[Regulation 2504](#), *Distilled Spirits Produced, Packaged, or Bottled*, [Regulation 2505](#), *Bottled or Packaged Distilled Spirits Acquired in California*, [Regulation 2506](#), *Bottled or Packaged Distilled Spirits Imported*, [Regulation 2507](#), *Distilled Spirits Sold or Exported*, [Regulation 2508](#), *Distilled Spirits Invoices and Bottling or Packaging Records*, [Regulation 2509](#), *Prepayment of Distilled Spirits Tax; Consolidated Returns*, [Regulation 2512](#), *Beer and Wine Production; Beer Bottling; Wholesalers' Beer and Wine Purchases*, [Regulation 2513](#), *Beer and Wine Imported*, [Regulation 2514](#), *Beer and Wine Sold*, [Regulation 2525](#), *Contents*, [Regulation 2530](#), *Inventories*, [Regulation 2535](#), *Distilled Spirits*, [Regulation 2536](#), *Beer Manufacturers*, [Regulation 2537](#), *Wine Growers*, [Regulation 2538](#), *Beer and Wine Importers*, [Regulation 2540](#), *Common Carrier Receipts and Delivery Reports*, [Regulation 2541](#), *Common Carrier Tax Reports*, [Regulation 2542](#), *Public Warehouses*, [Regulation 2543](#), *Customs Brokers*, [Regulation 2544](#), *Conversion of Liters to Gallons*, [Regulation 2557](#), *Powdered Distilled Spirits*, [Regulation 2560](#), *Treated as Sales*, and [Regulation 2561](#), *Exports and Sales for Export*, were amended to correct outdated references to state and federal forms, an outdated reference to a federal agency and minor grammatical errors, and to update the citations to the authority and references for some of the regulations.

Title 18, California Code of Regulations, sections 2504, 2505, 2506, 2507, 2508, 2509, 2512, 2513, 2514, 2525, 2530, 2535, 2536, 2537, 2538, 2540, 2541, 2542, 2543, 2544, 2557, 2560, and 2561; effective January 25, 2010.

Regulation 3500, *Application of the Fee Collection Procedures Law*, was adopted and **Regulation 3502**, *Relief from Liability*, was amended so that Regulation 3500 specifically lists the taxes and fees currently collected under the Fee Collection Procedures Law (Revenue and Taxation Code, section 55001 et seq.). These are: the California Tire Fee, Covered Electronic Waste Recycling Fee, Marine Invasive Species Fee, Natural Gas Surcharge, and Water Rights Fee.

Title 18, California Code of Regulations, sections 3500 and 3502; effective March 30, 2010.

Regulation 4041, *Common Carrier Delivery Reports*, was amended to add “or tobacco products” after “delivery of cigarettes” in the first paragraph of the regulation and add “, and the quantity of tobacco products delivered” after “the quantity of cigarettes contained therein” in subdivision (d), to conform the regulation to the provisions of Revenue and Taxation Code section 30454 regarding reports required from common carriers that deliver tobacco products. The last sentence of Regulation 4041 was also amended to add “the Board, which may include, but not be limited to, electronic media,” after “prescribed by” in order to conform the regulation to Revenue and Taxation Code section 30186 regarding reports of sales by common carriers. The regulation was also amended to add citations to Revenue and Taxation Code section 30451, the authority, and Revenue and Taxation Code sections 30186 and 30454, the references, to the regulation’s authority and reference notes, respectively.

Title 18, California Code of Regulations, section 4041; effective March 30, 2010.

Regulation 4500, *Definitions*, was amended to replace the number “9” with the number “17” in subdivision (e) to correct the citation to the California Constitution, and to replace the citation to “Section 22971(n)” with a correct citation to “Section 30010” in the regulation’s reference note.

Title 18, California Code of Regulations, section 4500; effective March 30, 2010.

Regulation 4508, *Appeal—Denial of License*, **Regulation 4701**, *Appeal—Appeals Division*, and **Regulation 4702**, *Appeal—Board Hearing*, were amended in order to replace their references to the repealed Rules of Practice with updated references to the Board’s current Rules for Tax Appeals (Title 18, California Code of Regulations, section 5000 et seq.).

Title 18, California Code of Regulations, sections 4508, 4701, and 4702; effective March 30, 2010.

Regulation 4703, *Seizures and Forfeitures*, was amended to make minor grammatical changes, revise the text to consistently refer to the “Board,” and replace “required for” with “relevant to” in the heading of subdivision (d).

Title 18, California Code of Regulations, section 4703; effective March 30, 2010.

[Regulation 4901](#), *Records*, was amended to replace the reference to the “Ballast Water Management Fee” with a reference to its current name, the “Marine Invasive Species Fee,” and add references to the “Water Rights Fee” and “Covered Electronic Waste Recycling Fee” to the definition of “Applicable Tax Laws” in paragraph (1) of subdivision (a), so that the regulation lists all of the special taxes and fees to which it currently applies.

Title 18, California Code of Regulations, section 4901; effective March 30, 2010.

[Regulation 4903](#), *Innocent Spouse or Registered Domestic Partner Relief from Liability*, and related cross-referencing Regulations 1004, 1032, 1124.1, 1249, 1336, 1422.1, 2251, 2303.1, 2433, 2571, 3022, 3302.1, 3502.1, and 4106 of the same name were adopted to prescribe the procedures and criteria for relieving an innocent spouse or registered domestic partner from liability under the Alcoholic Beverage Tax Law, Cigarette and Tobacco Products Tax Law, Diesel Fuel Tax Law, Emergency Telephone Users Surcharge Law, Energy Resources Surcharge Law, Fee Collection Procedures Law, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Motor Vehicle Fuel Tax Law, Oil Spill Response, Prevention, and Administration Fees Law, Private Railroad Car Tax Law, Timber Yield Tax Law, Underground Storage Tank Maintenance Fee Law, and Use Fuel Tax Law.

Title 18, California Code of Regulations, sections 1004, 1032, 1124.1, 1249, 1336, 1422.1, 2251, 2303.1, 2433, 2571, 3022, 3302.1, 3502.1, 4106, and 4903; effective June 17, 2010.

Rules for Tax Appeals

[Regulation 5237](#), *Board Approval Required for Refunds Over \$50,000*, and Regulation 5266, *Appeals Staff Recommendations; Requests for Reconsideration; Requests for Oral Hearings*, were amended to reflect the Board’s most recent delegation of authority to BOE staff to grant or deny refunds of taxes and fees authorized by Revenue and Taxation Code sections 6901 (sales and use tax), 8126 (motor vehicle fuel tax), 9151 (use fuel tax), 12977 (insurance tax), 30361 (cigarette and tobacco products tax), 32401 (alcoholic beverage tax), 38601 (timber yield tax), 40111 (energy resources surcharge), 41100 (emergency telephone users surcharge), 43451 (hazardous substances tax), 45651 (integrated waste management fee), 46501 (oil spill response, prevention, and administration fees), 50139 (underground storage tank maintenance fee), 55221 (fee collection procedures law), and 60521 (diesel fuel tax), unless the refunds exceed \$100,000.⁴

Title 18, California Code of Regulations, sections 5237 and 5266; effective February 19, 2010.

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Note that the amendments changed the name of Regulation 5237 to “Board Approval Required for Refunds Over \$100,000.”